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Summary

¶1. (SBU) We welcome the visit of Majority Leader Steny Hoyer and delegation to Colombia. Your visit comes at a key time in the ${\tt U.S.-Colombia}$ bilateral relationship. As many members of the delegation know from previous visits, in ten years Colombia has progressed from a near failed state and terrorist haven to an economic, political, and social leader in Latin America. Colombia has made major progress in its fight against illegal armed groups and set records in the eradication and interdiction of drugs. Murder and kidnapping rates have dropped dramatically, while rule of law has strengthened through major judicial reforms. Improved security and economic reform has grown the economy, reduced poverty, and attracted record levels of investment. The GOC has looked to leverage these successes beyond its borders by offering troops to NATO in Afghanistan and providing counterterrorism and counternarcotics training to Mexican, Panamanian and other law enforcement agencies in the region.

12. (SBU) Still, significant challenges remain--especially related to human rights. Drug trafficking organizations and illegal armed groups continue to operate in large parts of the country, including border areas. Colombia has over three million internally displaced persons, and deep social divides prevent millions of citizens, especially in rural areas, from benefiting fully from security and economic gains. Despite progress on human rights, some elements of the security forces continue to commit abuses, including extrajudicial killings. Violence against trade unionists and other vulnerable groups continues even as the GOC has boosted prosecutions and increased its protection programs for unionists, human rights activists, and other at-risk individuals. USG support is key to help the GOC confront these persistent challenges, even as we continue our dialogue on how best to transfer key security tasks from the USG to the GOC. End Summary.

Your Visit to Cartagena and Medellin

13. (SBU) During your visit to Cartagena and Medellin, you will have an opportunity to witness both the recent successes—and remaining challenges—in Colombia. Cartagena is a city of great disparities; it is both the major tourism destination in Colombia as well as the recipient of one of the largest displaced communities in the country. Medellin,

under ex-Mayor Sergio Fajardo and current Mayor Alonso Salazar, has made significant progress in addressing social programs, improving security, and promoting economic development. Medellin GDP grew by 44 percent from 2002 to 2007, while homicides fell 72 percent during the same time. Still, the city continues to suffer from narcotrafficking and related violence. Mayor Salazar faces unproven allegations that former paramilitary groups contributed to his campaign, and homicides in the city rose sharply in 2008.

Democratic Security Advances

14. (SBU) Colombia has achieved successes in its fight against the FARC, National Liberation Army (ELN) and emerging criminal groups. The rescue of 15 high-profile FARC hostages in July 2008, including three Americans, and the deaths of key FARC leaders highlight Colombia's progress in security. Colombian security forces captured or killed a number of mid-level FARC leaders, and reduced the space in which terrorists can operate freely. A record number of FARC members deserted in 2008--including mid and high-level commanders. Total demobilizations of illegal armed groups reached 3461 in 2008--primarily from the FARC--making it the highest level of demobilizations in Colombia's history. ¶5. (SBU) With USG help, in 2008, Colombia again set records in eradication and interdiction of drugs, while further reducing murder and kidnapping rates. Colombia extradited a record 208 criminals, narcotraffickers and terrorists to the United States in 2008, including 15 senior ex-paramilitary leaders; Colombia has already extradited more than 44 criminals in 2009. The number of homicides fell for the sixth consecutive year, dropping to 16,140 (or 33 for every 100,000 habitants), 45 percent lower than 2002 levels.

Economic Limitations

16. (SBU) Reacting to a projected economic slowdown in 2009, the Government of Colombia (GOC) plans to cut the national budget by \$1.4 billion, including a proposed \$190 million reduction to the defense budget. The proposal would likely reduce future expenditures on ammunition, rifles, communications equipment, infrastructure projects, fuel, food, and uniforms. The proposed cuts would not directly affect defense expenditures funded by the wealth tax, which is expected to raise approximately \$3.7 billion between 2007-2011. Still, the GOC's ability to sustain current levels of defense spending after 2011, when the wealth tax expires, is in doubt. Funding for social programs, critical to addressing many of the catalysts for the conflict, will also likely suffer due to slower Colombian growth as a result of the global downturn. The economic downturn could generate more social unrest, strikes and protests in Colombia in 2009.

Regional Context

- 17. (SBU) Colombia sees itself as a key U.S. ally in an Andean region increasingly hostile to U.S. values and goals. Ecuador broke diplomatic relations with Colombia after a military strike in March 2008 against FARC Commander Raul Reyes's camp just across the border in Ecuador. The GOC maintains a moderate tone with Ecuadorian President Correa, despite his often angry rhetoric. Ecuador recently imposed strict requirements on Colombians wishing to travel to their southern neighbor.
- 18. (SBU) Relations with Venezuela have improved since Venezuela recalled its ambassador following the Reyes attack. Presidents Uribe and Chavez met in late January 2009 in Cartagena, announcing several vague economic cooperation agreements. However, Colombia remains wary of Venezuelan ties to the FARC, as evidenced in the computers found in the Raul Reyes camp. Beyond the Andes, Colombia is helping Mexico to combat terrorism, narcotrafficking and other criminal activity. Colombia is also working with Mexico,

Chile, Peru and Brazil to promote economic integration and strengthen democratic institutions in Latin America. Colombia has also offered to send engineering and counternarotics forces to Afghanistan under NATO auspices, and contributes troops to the Multi-National Observer Forces in the Sinai.

Economic Growth and Free Trade

19. (U) After several years of strong economic growth, Colombia has begun to feel the pinch of the global economic crisis. Growth slowed to 3.5 percent in 2008 after record growth of 7.5 percent in 2007. Recent growth projections for 2009 range from 0 to 2 percent. Colombia remains highly dependent on commodity exports (petroleum, coal, flowers, coffee), making it vulnerable to price drops. Colombia cut unemployment and poverty during the past six years, but those gains have stalled. The financial sector remains solid -cushioned to date against the global credit crunch by conservative lending practices. The slowing economy has led to growing popular concern over pocketbook issues, and a pyramid scandal in 2008 cost Colombians an estimated \$1 billion in savings. The GOC inked trade deals with Canada, Chile, Central America and smaller European countries in the last year. The GOC is now negotiating an agreement with the The U.S.-Colombia Trade Promotion Agreement (CPTA) remains a bilateral priority for the Colombian government and private sector, and the GOC may consult with you as to how it can work together with the Congress to promote its passage.

Serious Challenges Ahead

- 110. (SBU) Despite advances in security and development, challenges related to violence, narcotrafficking, displacement, human rights, labor rights, and minority groups remain. We estimate the FARC has some 9,000 fighters in the field, and organized narcotrafficking groups continue to cause violence. Internal displacement due to the armed conflict remains serious, with three million displaced by violence since 1995. Deep historical social divides make it difficult for millions from the Afro-Colombian and indigenous populations to benefit fully from security and economic gains. These minority groups suffer from limited education, health care, and employment opportunities, and disproportionate forced displacement in the mostly isolated rural areas where they reside.
- 111. (U) Colombia has publicly committed to improving its human rights performance, and we hope you will be able to reinforce the human rights message with the GOC leadership. The Armed Forces recently dismissed fifty military officers and enlisted men due to alleged involvement in extrajudicial killings, but such abuses remain a serious problem. We are working with the Ministry of Defense to improve rules of engagement, and make sure that soldiers accused of human rights abuses are investigated by civilian prosecutors. Labor unionist homicides declined 76 percent between 2001-2008, yet in 2008 the number of labor homicides (for all causes) increased from 39 to 49--largely due to a spike in the first quarter. Still, the murder rate for unionists is well below the national homicide rate.
- 112. (U) Through the Center for Coordinated and Integrated Action (CCAI), the GOC is recovering territory previously held by illegal armed groups and establishing government presence, extending state services and providing security to vulnerable communities. In 2008, the GOC reestablished a government presence in all 1098 municipalities and all the country's mayors once again resided within their municipalities. A coordination plan for Macarena—the historic heartland of the FARC—aims to establish a permanent military, police and civilian presence in post—conflict areas—some of which have never seen a viable GOC presence. Challenges remain, as resource, security and staffing shortfalls continue to limit the initiative. The United States, through USAID, MILGRP and NAS, provides assistance to

USAID: Aiding Communities At Risk

- 113. (U) Under Plan Colombia, the USG has provided more than \$950 million in economic and social assistance via USAID. USAID's initiatives have delivered legal jobs, social services, and development in narcotrafficking and conflict zones. We are reintegrating thousands of Colombians who have demobilized, abating child recruitment into armed groups, and increasing social services for victims of conflict. We are restoring citizen confidence in governance, improving the criminal justice system and institutions, increasing the poor's access to justice, and promoting human rights through investigation and prosecution of human rights and labor-related cases. These programs focus on communities at high-risk of violence, provide legal and psycho-social assistance, and strengthen key Government oversight and judicial institutions.
- 14.(U) USAID's alternative development program is a key component of our counter-narcotics efforts. It promotes sustainable economic opportunities in regions vulnerable to drug production and conflict. These programs create jobs and economic opportunities in areas recently retaken from illegal armed groups and build the social infrastructure to mitigate future conflict. USAID is expanding social and economic opportunities and improving livelihoods for Afro-Colombians and indigenous communities disproportionately affected by conflict. These programs provide jobs, education, health care housing, and social services for these vulnerable populations.

DOJ: Providing Justice Reform

115. (U) The Department of Justice (DOJ) coordinates a multifaceted program focused on strengthening the Colombian criminal justice system, its institutions, processes and personnel. This program involves six major areas: implementation of an accusatory system; human rights investigations and prosecutions; Justice and Peace investigations and prosecutions; complex areas of criminal law; improved forensics capability; and witness protection. The bulk of the assistance is provided through training and technical assistance to the Prosecutor General's Office.

NAS: Eradicating, Training, Nationalizing

- 116. (U) We made real strides in battling narcoterrorism in Colombia in 2008. The most recent U.S. figures for cocaine production in Colombia show a 24 percent reduction in production since the peak year 2001. In 2008, Colombian security forces seized 245 metric tons of cocaine and coca paste, eradicated 230,000 hectares of coca and destroyed 3,667 drug labs. We kept hundreds of metric tons out of the United States. We have reduced the funds available to the FARC and other criminal groups for the purchase of weapons and explosives, corruption of public officials, and coercion of local populations.
- 117. (U) We have made progress in eradication. Increased coordination between manual and aerial eradication improves our ability to deal with replanting. Much of the success in battling narcotrafficking and terrorism is due to air mobility capabilities provided by the United States. Without helicopters, the GOC could not project force or provide government presence in a country the size of Texas and California combined. Colombia is nationalizing our aviation assets, but still needs some U.S. support. In the last two years, more than 50 aircraft have been turned over to the GOC to fund, maintain, and control. Colombia's ability to confront narcotics and terrorism depends in large part on its air mobility.

MILGRP: Aiming for Irreversibility

- 118. (U) The Military Group (MILGRP) has focused its support to the Colombian military based upon a three-phased approach. The first focused on building Colombian military forces, projecting those forces into ungoverned spaces and securing those spaces. It also supported offensive operations against illegal armed groups on a scale never seen before. The second phase, currently being executed, focuses on securing, consolidating and sustaining those gains, increasing offensive operations against illegal armed groups, and ensuring the irreversibility of those gains. The third phase, to be initiated in 2011, is to promote a strategic partnership to sustain key Colombian military capabilities.
- 119. (U) The MILGRP currently supports eight program areas: joint rotary wing, ground operations, riverine operations, governability, airpower, maritime interdiction, joint intelligence and communications, and joint force initiatives. Support to these programs is vital in both the short and long-terms. In the short-term, we will assist Colombia in controlling illegal armed groups and bringing peace and rule of law to the Colombian population. In the long-term, we will focus on building a strategic partnership with Colombian, and develop key Colombian military capabilities that can support U.S. national security objectives worldwide.

New Initiatives

120. (SBU) We are working with the GOC, other governments, and international organizations to develop an initiative to consolidate the gains made to date in key conflict areas. The initiative builds on current and past USG and GOC programs, and involves close coordination of security, eradication, alternative development, energy, and institutional development programs. The initiative's primary goal is to provide incentives for Colombian citizens to join the licit economy in the conflict zones plagued by coca cultivation, narcotrafficking and illegal armed groups. These targeted regions produce roughly 80% of the coca in Colombia and serve as major trafficking hubs, with a high incidence of violence and displacement. BROWNFIELD